

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 01797 01 OF 02 081744Z

45

ACTION EUR-25

INFO OCT-01 ISO-00 EA-11 SCS-03 SCA-01 ARA-16 COME-00

JUSE-00 L-03 H-03 PPT-02 FBIE-00 DRC-01 RSC-01 /067 W

----- 105329

R 081726Z FEB 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7832

INFO AMEMBASSY SUVA

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 01797

E.O. 11652: N/A

TAGS: CASC NH

SUBJECT: ALLEGED NEW HEBRIDEAN ACTION AGAINST US
CITIZENS

REF: A) STATE 61352, APRIL 3, 1973; B) SUVA 217,
APRIL 5, 1973; C) SMITH/FLOYD TELECON FEBRUARY 4,
1974

1. FOLLOWING REF (C) WE DISCUSSED IN DETAIL WITH
J' W. NICHOLAS, HEAD OF PACIFIC DEPENDENT TERRITORIES
DEPARTMENT, FOREIGN AND COMMONWEALTH OFFICE (FCO),
QUESTION OF AMERICAN INVOLVEMENT IN NEW HEBRIDES LAND
DEAL. NICHOLAS WAS INTIMATELY ACQUAINTED WITH THE
PROBLEM AND PROVIDED US WITH COMPLETE EXPLANATION OF
HMG ATTITUDE.

2. NICHOLAS STATED THAT THE PROBLEM GOES BACK TO
1967 WHEN EUGENE PEACOCK, AN AMERICAN LAND DEVELOPER
APPARENTLY BASED IN COSTA RICA, BEGAN BUYING BLOCKS OF
LAND IN NEW HEBRIDES THROUGH OR ON BEHALF OF LAND
DEVELOPMENT COMPANIES WITH WHICH HE WAS ASSOCIATED.
OVER A PERIOD OF TIME SEVEN LARGE TRACTS OF LAND WERE
PURCHASED. THERE HAD BEEN CONTACTS OF SOME FORM
BETWEEN NEW HEBRIDES AUTHORITIES AND PEACOCK PRIOR TO
THE PURCHASES. HOWEVER, PEACOCK'S INTENTIONS WERE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 01797 01 OF 02 081744Z

APPARENTLY NOT CLEAR TO NEW HEBRIDES, AND WHEN IT

EMERGED THAT HE WAS SUBDIVIDING THE TRACTS (PROVIDING WHAT THE AUTHORITIES CONSIDERED TO BE TOTALLY INADEQUATE FACILITIES) AND SELLING THEM IN HAWAII AND OTHER PLACES, AUTHORITIES TOOK STEPS TO PASS REGULATORY LEGISLATION. LAW CAME INTO FORCE IN AUGUST 1971 WHICH PROVIDED THAT NO ONE (OF ANY NATIONALITY) COULD SUBDIVIDE PROPERTY WITHOUT PLANNING APPROVAL OF COMMISSION. BY THIS TIME PEACOCK HAD SOLD ABOUT 300 SUBDIVIDED PLOTS, THE SALES OF WHICH WERE PROPERLY REGISTERED. THE NEW LEGISLATION WAS NOT RETROACTIVE WITH RESPECT TO THESE PLOTS INASMUCH AS IT DID NOT AND HAS NOT SUBSEQUENTLY AFFECTED THEM. PEACOCK, NICHOLAS CONTINUED, THEN APPLIED FOR APPROVAL OF PLANS TO SUBDIVIDE THE SEVEN TRACTS OF LAND, ONE OF WHICH WAS URBAN AND THE REMAINDER RURAL. THE URBAN SUBDIVISION WAS APPROVED, BUT THE SIX RURAL SUBDIVISIONS WERE DISAPPROVED ON THE GROUNDS THAT (1) THEY WERE BAD PLANNING SCHEMES AND (2) THERE WAS A THREAT OF LARGE-SCALE IMMIGRATION.

3. ACCORDING TO NICHOLAS, PEACOCK, DESPITE THE PASSAGE OF LEGISLATION AND THE DISAPPROVAL OF HIS SUBDIVISION SCHEMES, CONTINUED TO SELL PLOTS OF LAND ABROAD AND HAS CONTINUED AN UNABATED CAMPAIGN TO SECURE THE NULLIFICATION OF THE REGULATORY LEGISLATION. THUS, HMG IS OF VIEW THAT IF THERE ARE INDEED ANY DISAPPOINTED BUYERS OF SUBDIVIDED PLOTS OF LAND IN THE NEW HEBRIDES, THE BREACH OF FAITH IS NOT THAT OF THE NEW HEBRIDES AUTHORITIES BUT OF THE DEVELOPERS WHO CONTINUED TO SELL EVEN THOUGH THEY HAD NOT RECEIVED PERMISSION TO SUBDIVIDE THE LAND IN QUESTION.

4. MATTER OF IMMIGRATION RAISED ABOVE IS SERIOUS ONE TO HMG AS WELL AS NEW HEBRIDES. THE ISLANDS HAVE A POPULATION OF ABOUT 80,000 OF WHICH ONLY 5,000 OR SO ARE EUROPEAN. A LARGE INFLUX OF EUROPEANS/AMERICANS COULD BE SOCIALLY DISRUPTING AND WOULD NOT, IN VIEW OF HMG AND NEW HEBRIDES, BE OFFSET BY ANY PROJECTED ECONOMIC GAINS. SITUATION IS STABLE AND THEY WISH TO KEEP IT THAT WAY.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 01797 01 OF 02 081744Z

5. NICHOLAS STATED THAT PEACOCK'S REPRESENTATIVES IN LONDON HAVE LAUNCHED A FORMIDABLE CAMPAIGN WITHIN HMG TO PERSUADE THE FCO TO INTERVENE WITH THE NEW HEBRIDES AUTHORITIES. LORD BLEDISLOE HAS BEEN THEIR PRINCIPAL SPOKESMAN AND A NUMBER OF OTHER MEMBERS OF THE HOUSE OF LORDS AS WELL AS MEMBERS OF PARLIAMENT HAVE ATTEMPTED TO INTERVENE. IN EACH CASE FCO HAS

EXPLAINED THE BACKGROUND, AND THE PARLIAMENTARIANS
HAVE PROMPTLY DROPPED THE MATTER.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 01797 02 OF 02 081740Z

45

ACTION EUR-25

INFO OCT-01 ISO-00 EA-11 SCS-03 SCA-01 ARA-16 COME-00

JUSE-00 L-03 H-03 PPT-02 FBIE-00 DRC-01 RSC-01 /067 W

----- 105232

R 081726Z FEB 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7833

INFO AMEMBASSY SUVA

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 01797

6. NICHOLAS TOOK PAINS TO BE SURE THAT WE UNDERSTOOD THAT NOT ONLY DID HMG AGREE WITH THE ACTION OF THE NEW HEBRIDES AUTHORITIES, BUT IT ACTIVELY ENDORSED THEIR ACTION. FURTHER, THE VALIDITY OF THE LEGISLATION IN QUESTION WAS CONFIRMED IN AN EXCHANGE OF NOTES BETWEEN THE FRENCH AND BRITISH GOVERNMENTS IN 1972. FINALLY, HMG HAS NO INTENTION WHATSOEVER TO PRESSURE NEW HEBRIDES TO CHANGE EITHER THE LAW OR ANY PLANNING DECISIONS MADE PURSUANT TO IT. NICHOLAS UNDERSTANDS THERE IS LITIGATION UNDERWAY, BUT DID NOT DISCUSS IT.

7. NICHOLAS' STATEMENTS ARE CONSISTENT WITH REPORT CONTAINED IN SUVA 217 (REF B), AND IT WOULD APPEAR FROM FOREGOING THAT CASE PRESENTED BY THE DEVELOPERS MAY NOT ENTIRELY REFLECT THE FACTS. IN ORDER NOT TO IDENTIFY USG IN ANY WAY WITH AMERICAN ACTIVITIES THAT MAY PROVE TO HAVE SOME UNSAVORY ASPECTS, WE MADE IT CLEAR TO NICHOLAS THAT WE WERE MERELY MAKING AN INQUIRY ABOUT THE STATUS OF THE CASE AND THAT WE WERE NOT IN ANY WAY

INTERVENING OR MAKING REPRESENTATIONS ON BEHALF OF THE
AMERICAN LAND COMPANIES.

8. IT WOULD BE USEFUL TO KNOW PRECISELY WHAT IS MEANT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 01797 02 OF 02 081740Z

BY THE "CONSIDERABLE ENCOURAGEMENT" (REF A) THE
DEVELOPERS ARE ALLEGED TO HAVE RECEIVED FROM THE NEW
HEBRIDES AUTHORITIES WHEN THEY BEGAN THEIR LAND PUR-
CHASES AND SPECIFICALLY, WHETHER THERE WAS AN EXPLICIT,
WRITTEN AGREEMENT. TWO OTHER INTERRELATED POINTS OF
INTEREST WOULD BE WHETHER THE DEVELOPERS DID INDEED
CONTINUE SELLING PLOTS OF LAND AFTER THE PASSAGE OF
LEGISLATION WHICH REQUIRED APPROVAL OF SUBDIVISION
SCHEMES AND WHETHER THE PURCHASERS OF THE FIRST 300
OR SO SUBDIVIDED LOTS (I.E., THOSE REGISTERED BEFORE
THE PASSAGE OF THE LEGISLATION) WERE NOT -- AS CLAIMED
BY THE FCO -- AFFECTED RETROACTIVELY BY THE LEGISLATION.

ANNENBERG

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 08 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON01797
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740246/aaaabqyk.tel
Line Count: 193
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) STATE 61352, APRIL 3, 1973; B) SU, VA 217
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUN 2002 by boyleja>; APPROVED <26 JUN 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ALLEGED NEW HEBRIDEAN ACTION AGAINST US CITIZENS
TAGS: CASC, NH
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005